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TAGS: [MARR](#) [PREL](#) [PGOV](#) [ID](#) [SN](#)  
SUBJECT: SINGAPORE PESSIMISTIC ON DEFENSE PACT WITH  
INDONESIA

REF: A. SINGAPORE 1045

- [1](#)B. JAKARTA 2660
- [1](#)C. SINGAPORE 1377

Classified By: Classified by DCM Daniel Shields, reason 1.4 (b) and (d)  
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[1](#)1. (C) Summary: Singapore is pessimistic over prospects for Indonesian ratification of the Defence Cooperation Agreement and the Extradition Treaty the two nations signed in April, MFA Southeast Asia Directorate Director Peter Tan told us during a September 27 meeting with the DCM. Tan characterized Singapore's ties with Indonesia as "always difficult," due to a tendency for bilateral issues to become politicized in Jakarta. Tan and MFA Indonesia office director Foo Kok Jwee suggested Indonesia's President Yudhoyono faced daunting political constraints but that his room to take tough decisions would expand significantly if he were re-elected in 2009. End Summary.

#### Poor Prospects for Treaties

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[1](#)2. (U) In 2005, Singapore Prime Minister Lee Hsien Loong and Indonesian President Susilo Bambang Yudhoyono (SBY) agreed to negotiate a Defense Cooperation Agreement (DCA) and an Extradition Treaty (ET) in tandem (ref A). Territorially-challenged Singapore sought the DCA in order to regain the right to conduct military training and exercises in nearby Indonesia. Indonesia sought the ET as a means to pursue fugitives (and possibly assets) of alleged corrupt individuals thought to have fled to Singapore, particularly during the Asian financial crisis in 1997-98. After bilateral ties hit another apparent low when Indonesia imposed a ban on exports of construction sand to Singapore in January 2007, the two countries signed the two agreements to much fanfare in April. However, prospects for ratification dimmed almost immediately after Indonesian legislators accused the GOI of sacrificing the country's sovereignty (refs B and C).

[1](#)3. (C) Tan expressed doubt that the agreements would come into force anytime soon. He rejected the idea that negotiating two such potentially controversial agreement simultaneously was inherently flawed; rather, the problem was the GOI's limited ability to drive its agenda in the Indonesian House of Representatives (DPR). Regarding Indonesian media claims that Singapore had refused to negotiate an implementing agreement for the DCA, Tan insisted that the implementing arrangements had, in fact, already been agreed before the two treaties were signed. However, the GOI had "within a week" begun to press for changes after coming

under attack from legislators. Tan indicated that Singapore would not renegotiate terms. Although Singapore was criticized for being "legalistic," he argued that it was fruitless to deal with a party that sought to renegotiate terms immediately after signing an agreement.

#### Tough Politics in Jakarta

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14. (C) Tan thought someone in the GOI had "leaked" details of the implementing arrangements and deliberately stirred opposition in Indonesia's House of Representatives (DPR). Deputy Director (office director equivalent) for Indonesia Foo Kok Jwee, who recently returned from a posting to Singapore's embassy in Jakarta, suggested that some DPR members did not really care what was in the agreement; ever since the controversy over the GOI's support for UN Security Council Resolution 1747 (on Iran), DPR members had felt emboldened to seize on any issue in an effort to weaken SBY politically. Tan and Foo suggested SBY's policy options were severely constrained by the government's limited leverage over the DPR and systematic efforts underway to weaken SBY ahead of the 2009 election. While SBY's prospects for re-election remain unclear, Tan thought that if he were re-elected, SBY's scope for driving a stronger policy agenda would be significantly greater.

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